

## ABSTRACT

An investment company receives funds from a plurality of unaffiliated capital markets investors. The investors receiving in return a debt claim against the investment company. The investment company invests a substantial majority of the invested funds from the investment company directly into operating companies as debt obligations of the operating companies for essentially unrestricted use by the operating companies, the terms providing at least one year of relief from repayment of the debt. The investment company receives a security interest in substantially all assets of the operating companies. Out of the invested funds, the investment company purchases an insurance policy for the benefit of the investors. The insurance policy covers the investment company against default by the operating companies and insures repayment to the investor of the funds invested. The insurer of the insurance policy receives benefit of debt and equity interests in the operating companies.

FILED IN 94-11500